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February 18, 2005

By E-Filing

The Honorable Denis R. Hurley
United States District Court
100 Federal Plaza
Central Islip, New York 11722

Re: *Robert Novak v. Overture Services Inc, et al.*
Case No. CV 02 5164

Your Honor:

Pursuant to your Individual Practice Rules, Defendant Google Inc. ("Google") requests a pre-motion conference in advance of motions for (i) reconsideration of the Court's February 16, 2005 order dismissing "without prejudice" Plaintiff's claims against Google, under Federal Rule of Civil Procedure 59(e), and, if reconsideration is denied, (ii) an award of attorney's fees and costs, under 15 U.S.C. § 1117.

Reconsideration

The Court should reconsider its "without prejudice" dismissal for two reasons. First, there is new evidence shedding light on Plaintiff's bad faith pursuit of his claims against Google. Plaintiff today sent a letter to Google's counsel making absolutely clear he intends to bring the same claims against Google in a "new suit down the road." A copy of the letter is attached.

This case has been pending for two and half years. Six months ago Google sought leave to file a summary judgment motion to end the case, but never received a response from the Court. In the meantime, Plaintiff simply ignored Google's discovery demands, thereby making admissions that bar his claims as a matter of law. Plaintiff also sought no discovery. Facing a looming trial without any evidence, and having admitted he had no case, Plaintiff filed a "voluntary dismissal." But given his threat to re-file today, it is clear that this dismissal was simply an attempt to extricate himself from the highly unfavorable position he found himself in, so that he could start from scratch on the same claims in a "new suit down the road." There is absolutely no justification for permitting such gamesmanship.

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In any event, the Court's order dismissing Plaintiff's claims fails to take in account the fact that Google has claims of its own remaining in the case – counterclaims petitioning the Court to cancel Plaintiff's trademark registration.[1] Instead, the Order indicates that the case has been closed. Given Plaintiff's explicit threats to re-litigate his trademark claims, however, Google's counter-claims continue to present an active controversy on which Google is entitled to continue to trial in this case.[2]

In light of the Plaintiff's new threat, and the Court's apparent view that Plaintiffs' dismissal ends this action, Google respectfully requests that the Court reconsider its decision declaring that Plaintiffs' dismissal was without prejudice and/or acknowledge that Google's counter-claims in the action will continue.

Award of Fees and Costs

If the Court denies Google's reconsideration request, Google will seek an order directing Plaintiff to reimburse Google for the substantial attorney's fees and costs Plaintiff necessitated in this action. The Lanham Act, under which Plaintiff filed his action, authorizes such awards to trademark defendants in "exceptional cases." 15 U.S.C. § 1117. This is a particularly exceptional case as Plaintiff has no trademark rights, filed this suit in the hopes of extorting a settlement, and then admitted he had no case. According to the Second Circuit:

> Fee awards are often made when a plaintiff dismisses a suit *without prejudice* under Rule 41(a)(2). *See* 5 J. Moore, Moore's Federal Practice, ¶ 41.06, at 41-74 (2d ed. 1948 & Supp.1984); 9 C. Wright & A. Miller,

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[1] There are a number of reasons for canceling Plaintiff's trademark registration. Plaintiff has represented to the U.S. Bankruptcy Court on numerous occasions that he owns no intellectual property; in this case, in contrast, he alleges that he enjoys trademark rights dating back 30 years. Having secured relief on his assertions in the bankruptcy court, Plaintiff is estopped from exploiting the registration against Google and others. Plaintiff also claims rights in a trademark, PETS WAREHOUSE, that is insufficiently distinctive to merit federal protection. Furthermore, Plaintiff has purported to license his trademark to others, absent quality control, resulting in a "naked" trademark license and abandonment of his rights, if any.

[2] If, by contrast, the Court deems Plaintiff's dismissal of his trademark claims to be with prejudice, that would dispose of the controversy concerning the validity of his supposed trademark, and would render Google's counterclaims moot.

> Federal Practice & Procedure § 2366, at 177-80 (1971 & Supp.1984). The purpose of such awards is generally to reimburse the defendant for the litigation costs incurred, in view of the risk (often the certainty) faced by the defendant that the same suit will be refiled and will impose duplicative expenses upon him. *See Smoot v. Fox*, 353 F.2d 830, 833 (6th Cir.1965), *cert. denied*, 384 U.S. 909, 86 S.Ct. 1342, 16 L.Ed.2d 361 (1966); *John Evans Sons, Inc. v. Majik-Ironers, Inc.,* 95 F.R.D. 186, 191 (E.D.Pa.1982).

Colombrito v. Kelly, 764 F.2d 122 (2d Cir. 1985). Here the risk of a renewed action is not merely theoretical. Plaintiff has already made explicit his intent to file the same suit again. Accordingly, if the Court permits Plaintiff's dismissal with prejudice to stand, Google is entitled to recover its attorney's fees.

Pre-Trial Conference

The pre-trial conference for this matter is scheduled for March 8, 2005. Google respectfully requests that the Court address this request well in advance of the conference.

Respectfully submitted,

DHK

David H. Kramer (DK-4619)
John L. Slafsky (JS-3212)

cc: Robert Novak (via U.S. Mail)